

**§ 96.0 Purpose and scope of part.**

The regulations in this part implement Office of Management and Budget (OMB) Circular A-128, "Uniform Audit Requirements for State and Local Governments," Attachment F of OMB Circular A-110, "Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations," and also consolidates the audit requirements contained throughout the DOL regulations. This part applies to all grants and contracts and other Federal assistance provided by or on behalf of the DOL.

**Subpart 96.1—Audits of State and Local Governments and Indian Tribes****§ 96.101 Purpose and scope of subpart.**

The Single Audit Act of 1984 (Act), Public Law 98-502 builds upon earlier efforts to improve audits of Federal aid programs. The Act requires State and local governments and Indian tribes that receive Federal assistance equal to or in excess of \$100,000 a year to have an audit made annually, or under certain circumstances, biennially. Governmental units receiving between \$25,000 and \$100,000 annually may follow either the audit requirements of the Act or those contained in the Federal statutes and regulations under which such Federal assistance is provided. OMB Circular A-128 was issued pursuant to section 7505 of the Act, which requires the Director of the Office of Management and Budget to issue implementing guidelines. It specifies that the guidelines include procedures for the assignment of cognizant Federal agencies, criteria for determining the appropriate charges to Federal programs for the cost of audits and procedures to assure that small business concerns and business concerns owned and controlled by socially and economically disadvantaged individuals have the opportunity to participate in contracts awarded to fulfill the single audit requirements. This subpart implements the guidance provided in Circular A-128 by establishing uniform audit requirements and policy for State and local governments and In-

dian tribes that receive Federal assistance from DOL.

**§ 96.102 Audit requirements.**

The audit requirements contained in OMB Circular A-128, attached as appendix A of this part, shall be followed for audits of all fiscal years beginning after December 31, 1984. For audits of fiscal years beginning on or before December 31, 1984, organizations covered by this subpart have the option of following the requirements of OMB Circular A-128, or those contained in 41 CFR 29-70.217.

**Subpart 96.2—Audits of Colleges and Universities, Hospitals and Other Nonprofit Organizations****§ 96.201 Purpose and scope of subpart.**

OMB Circular A-110, Attachment F, "Standards for Financial Management Systems," provides that the organization-wide audit is the preferred form of audit coverage for colleges and universities, hospitals, and other nonprofit organizations. This subpart implements the guidance provided in Attachment F of OMB Circular A-110 by establishing uniform audit requirements for colleges and universities, hospitals, and other nonprofit organizations that receive Federal assistance from DOL equal to or in excess of \$25,000 in any one fiscal year.

**§ 96.202 Audit requirements.**

The audit requirements contained in OMB Circular No. A-133, attached as appendix C of this part, shall be followed for audits of all fiscal years beginning on or after January 1, 1990. The audit requirements contained in OMB Circular No. A-110, Attachment F, attached as appendix B of this part, shall be followed for audits of all fiscal years beginning on or after August 8, 1985, through December 31, 1989. The audit requirement contained in 41 CFR 29-70.217a shall be followed for audits of fiscal years beginning before August 8, 1985. Organizations covered by this subpart are responsible for arranging for independent audits that meet the requirements of this section. Such audits should be made annually, but must be